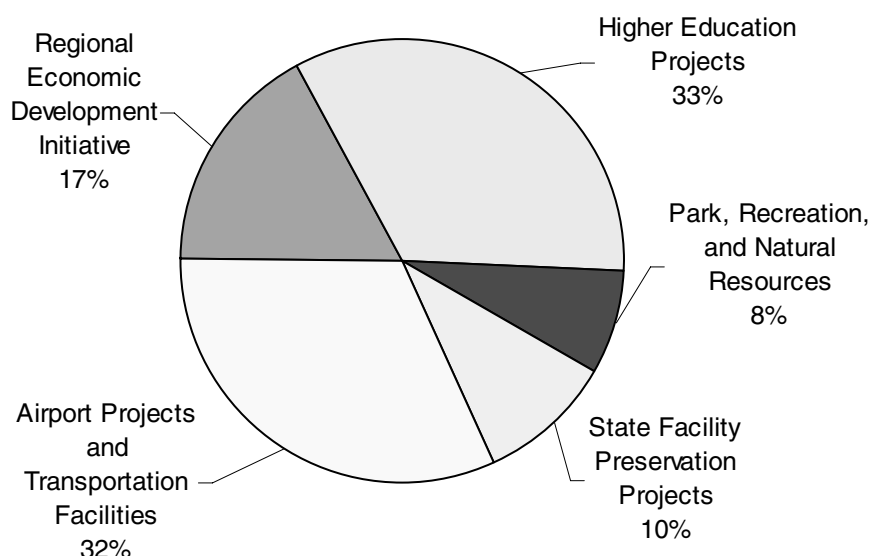


Capital Outlay

The Governor's recommended budget for capital outlay creates incentives for regional economic development, provides for capital projects at five universities and fourteen community colleges, and targets improvements to state parks and state facility preservation projects across the state. The Governor's capital investment strategy creates high-paying construction jobs and focuses on improvements that will protect, preserve and expand key infrastructure assets that fuel Michigan's economy. *The Governor's proposed budget for fiscal year 2007 recommends total funding of \$216 million, of which \$2,200 is general fund.*

Capital Investment in Michigan's Future



Budget Highlights - The fiscal year 2007 Executive Budget:

- Recommends building projects at five universities, at an estimated cost of \$148.6 million (\$103.2 million state share). With this recommendation, all fifteen public universities will have received authorization for a capital project in the last two fiscal years, representing a total state commitment of \$249.5 million. The following university projects are recommended for planning by Governor Granholm in fiscal year 2007:

University	Project	Total Cost	State Share
Eastern Michigan University	Pray-Harold Building Renovations	\$52,695,000	\$39,521,300
Lake Superior State University	South Hall Reconstruction	\$10,000,000	\$7,500,000
Northern Michigan University	Cohodas Building Adaptive Renovations	\$15,584,000	\$11,688,000
Oakland University	Engineering Center	\$64,357,700	\$40,000,000
University of Michigan Dearborn	Teacher Preparation/Child Development Center	\$6,000,000	\$4,500,000

- Recommends building projects at fourteen community colleges at a total estimated cost of \$182.2 million (\$91.1 million state share). With this recommendation, all community colleges with a capital project request will have received authorization in the last two fiscal years, representing a total state commitment of \$144.8 million. The following community college projects are recommended by Governor Granholm in fiscal year 2007:

Colleges	Project	Total Cost	State Share
Delta College	Health & Wellness Programs - F Wing	\$11,299,000	\$5,649,500
Grand Rapids Community College	Lifelong Learning Center	\$21,900,000	\$10,950,000
Henry Ford Community College	Instructional Technology & Infra Improvements	\$12,160,000	\$6,080,000
Kalamazoo Valley Community College	Texas Township Campus Expansion	\$7,065,000	\$3,532,500
Kellogg Community College	C Classroom Building Renovations	\$4,000,000	\$2,000,000
Kirtland Community College	Campus-Wide Water Well System	\$1,005,000	\$502,500
Lake Michigan College	Emerging Technologies Initiative	\$7,000,000	\$3,500,000
Monroe County Community College	Classroom Technology & Enviro Upgrades	\$2,200,000	\$1,100,000
C.S. Mott Community College	Mott Library Renovations	\$8,200,000	\$4,100,000
Muskegon Community College	Museum/Art Project	\$10,000,000	\$5,000,000
North Central Michigan College	University and Science Center	\$16,323,700	\$8,161,800
Oakland Community College	Building A Addition/Renovations	\$32,065,000	\$16,032,500
St. Clair County Community College	Health and Human Services Center	\$7,000,000	\$3,500,000
Wayne County Community College	Northwest Campus Replacement	\$42,000,000	\$21,000,000

- Governor Granholm will support future higher education projects only if the project expands system capacity consistent with the recommendations of the Cherry Commission. Future capacity projects seeking state support also need to be focused on the economic diversification, commercialization and workforce needs of the Michigan economy.

Governor Granholm's fiscal year 2007 budget also:

- Commits \$100 million in State Building Authority financing for a Regional Economic Development Initiative providing an incentive for state and local partnership on economic development projects that will have a significant, long-term transforming impact on the economy of Michigan. Regional partnerships and commitment, diverse development opportunities, job creation, and potential statewide economic impact will be key selection criteria. A call for projects will be made to local governments and economic development organizations in the next few weeks, with proposals due in late spring prior to completion of legislative deliberations on the budget.
- Invests \$20 million in State Building Authority financing for facility improvements at Michigan's 97 state park and recreation areas. Maintaining Michigan's heritage for world class park and recreational facilities is key to Michigan's tourism industry. The Governor's budget also provides an additional \$2 million for state park repair and annual maintenance; \$14.9 million for harbor, marina, and boating access projects; \$1.4 million for forest area infrastructure and recreation improvements; and \$2 million for wetland habitat acquisition, all from federal and restricted resources. The recommendation also supports \$3.75 million for farmland and open space preservation efforts.

- Supports \$50 million in State Building Authority financing for ongoing state facility preservation projects – phase III. These funds augment \$2 million recommended from building occupancy charges for ongoing maintenance of state facilities throughout Michigan.
- Includes \$22.1 million in investments in Department of Transportation facilities, including a new Rosa L. Parks Integrated Transportation Campus in Detroit. This \$17.5 million project will integrate the transportation service center, intelligent transportation system command center, dispatch operations for the Michigan State Police, and lease space for the Suburban Mobility Authority for Regional Transportation (SMART). The recommendation also includes a \$2.5 million transportation service center in Oakland County, along with a new bituminous testing laboratory in Gladstone (\$400,000), an addition to the transportation service center in Bay City (\$550,000), and \$5.4 million for salt storage, washbay, institutional road, and maintenance projects.
- Dedicates \$162.9 million for airport and safety protection plan projects supported with federal, local, and state restricted revenues.

Fiscal Year 2006 Supplemental

The Governor's fiscal year 2006 supplemental for capital outlay includes \$37.3 million for twenty-two land acquisition and thirty development projects supported with revenues from the Michigan Natural Resources Trust Fund. This program provides financial assistance to local communities and the Department of Natural Resources to purchase lands for outdoor public recreation and the development of public outdoor recreation facilities such as trails, bike paths, parks, fishing piers, and camping facilities. Also included is \$1.5 million in federal funds from the U.S. Coast Guard for dredging and paving improvements at state boating access sites.

Fiscal Year 2007 Governor's Recommendation
Capital Outlay
(\$ in Thousands)

	FY05* Appropriation	FY06 Current Law	FY07 Recommended
GF/GP	\$195.4	\$4,401.9	\$2.2
All Funds	\$334,397.1	\$228,304.7	\$215,975.1
	% Change - GF/GP	2152.8%	-99.95%
	% Change - All Funds	-31.7%	-5.4%
Activities	GF/GP	All Funds	
GOAL: IMPROVE STUDENT ACHIEVEMENT			
Higher Education Planning Authorizations (Multiple)	\$1.8	\$1.8	
Higher Education Construction Authorization	\$0.1	\$0.1	
GOAL: SUSTAIN AND CREATE BUSINESS INVESTMENT AND JOBS IN MICHIGAN			
Airport Safety and Protection Plan Projects	\$0.0	\$162,902.6	
Transportation Building and Facility Projects	\$0.0	\$22,050.3	
Regional Economic Development Planning Authorization	\$0.1	\$0.1	
GOAL: ENHANCE THE QUALITY OF MICHIGAN'S NATURAL ENVIRONMENT			
Waterways Boating Program	\$0.0	\$14,870.0	
Farmland and Open Space Preservation	\$0.0	\$3,750.0	
State Parks Repair and Maintenance	\$0.0	\$2,000.0	
Statewide Wetland Acquisition	\$0.0	\$2,000.0	
Forest Roads, Bridges and Recreation Facilities	\$0.0	\$1,400.0	
State Park Improvement Construction Authorization	\$0.1	\$0.1	
GOAL: PROTECT OUR CITIZENS AND MAKE MICHIGAN'S COMMUNITIES SAFER			
Military Affairs Special Maintenance	\$0.0	\$5,000.0	
GOAL: MAKE GOVERNMENT IN MICHIGAN MORE COST EFFECTIVE AND EFFICIENT			
State Agency Special Maintenance	\$0.0	\$2,000.0	
State Facility Preservation Construction Authorization	\$0.1	\$0.1	
* Adjusted for program transfers.			
Total FY 2007 Recommendation		\$2.2	\$215,975.1